


UNITED STATES BANKRUPTCY COURT Southern District of New York		PROOF OF CLAIM
Name of Debtor: JENNIFER CONVERTIBLES, INC.		Case Number: 10-13779
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (the person or other entity to whom the debtor owes money or property): IA DULUTH VENTURE, L.L.C. A DELAWARE LIMITED LIABILITY COMPANY		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: IA DULUTH VENTURE, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY c/o Bert K. Bittourna, Esquire, The Inland Real Estate Group, Inc., Law Department 2901 Butterfield Rd., Oak Brook, Illinois 60523		Court Claim Number: _____ <i>(if known)</i>
Telephone number: (630) 218-8000		Filed on: _____
Name and address where payment should be sent (if different from above): *Additional Notices regarding this proof of claim should be sent to Karen C. Bifferato, Esq., Connolly Bove Lodge & Hutz LLP, The Nemours Building, 1007 N. Orange Street, P.O. Box 2207, Wilmington, Delaware 19899.		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Telephone number: (302) 658-9141		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>280,143.08</u>		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		
2. Basis for Claim: <u>Rejected Lease Agmt.</u> <i>(See instruction #2 on reverse side.)</i>		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
3. Last four digits of any number by which creditor identifies debtor: _____		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).
3a. Debtor may have scheduled account as: _____ <i>(See instruction #3a on reverse side.)</i>		Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5)
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim: _____ if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. <i>(See instruction 7 and definition of "redacted" on reverse side.)</i> DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: \$ _____
Date: <u>10-13-10</u> Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Christina M. Thompson, Esquire, attorney for IA Duluth Venture, L.L.C., a Delaware limited liability company		*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
		FOR COURT USE ONLY Jennifer Convertibles  00213

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**EXHIBIT A TO PROOF OF CLAIM OF
IA DULUTH VENTURE, L.L.C., a Delaware limited liability company
IN RE: JENNIFER CONVERTIBLES, INC., CASE NO. 10-13779**

1. On July 18, 2010 ("Petition Date"), Jennifer Convertibles, Inc. ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code ("Bankruptcy Code").

2. IA Duluth Venture, L.L.C., a Delaware limited liability company ("Landlord") and Debtor are parties to a lease agreement ("Lease")¹ for certain premises located at Venture Point Phase II in Duluth, Georgia ("Premises"). Inland American Retail Management, LLC is the managing agent of the Landlord and the Premises. The Debtor rejected the Lease, effective as of August 31, 2010.

3. The Debtor owes Landlord the sum of \$75,624.56, which includes all charges due under the Lease for the period of time prior to the Petition Date as well as any credits due to the Debtors under the Lease. An itemized calculation of this amount is available upon request. Further, other amounts may become due under the Lease subsequent to the filing of this proof of claim, which relate to the pre-Petition Date period, but are not yet known to Landlord or liquidated in this proof of claim. Landlord has not included such charges in this claim if it is not aware of such charges to date, but will subsequently amend this claim as it becomes aware of such charges.

4. Damages resulting from the rejection of the Lease by the Debtor are \$201,518.52, which constitutes one year of rent reserved under the Lease ("Rejection Damage Claim").² Further, the Landlord will incur costs to repair the Premises, which are currently estimated to be \$3,000.

5. The Debtor's total obligations to Landlord under the Lease for the period prior to the Petition Date are \$280,143.08. Accordingly, Landlord has an unsecured, non-priority claim against the Debtor in the amount of **\$280,153.08**, plus attorneys' fees and costs and other as of yet unknown amounts that may become due under the Lease after the filing of this proof of claim ("Claim") that are attributable to the period prior to the Petition Date.

6. Nothing herein shall be deemed a waiver of Landlord's right to seek payment of all or any portion of the Claim pursuant to section 365(d)(3) of the Bankruptcy Code, or as an administrative expense pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code.

7. Landlord expressly reserves all rights and remedies that it has or may have against the Debtor or any other person or persons liable for all or part of the indebtedness claimed herein. This proof of claim is filed to protect Landlord from forfeiture of its Claim. The filing of this proof of claim is not: (a) a waiver or release of Inland's rights or remedies against any person, entity or property; (b) an election of a remedy; or (c) a waiver of the right to assert a different or enhanced classification or priority in respect of the Claim asserted herein.

8. Landlord expressly reserves the right to amend, modify or supplement this proof of claim to, among other things, assert an unsecured claim for any pre-petition obligations that have not yet been billed under the Lease.

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¹ A copy of the Lease is available upon request.

² Landlord is entitled to an unsecured, non-priority claim against the Debtor in an amount equal to one year's rent reserved under the Lease or fifteen percent (15%) of the remaining rent due under the Lease, not to exceed three years. 11 U.S.C. § 502(b)(6).



CONNOLLY BOVE LODGE & HUTZ LLP

ATTORNEYS AT LAW

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October 13, 2010

VIA FEDERAL EXPRESS

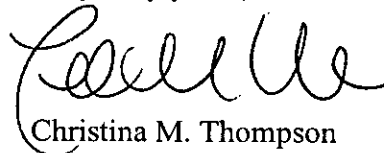
BMC Group Inc.
Attention: Jennifer Convertibles Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317

Re: Jennifer Convertibles, Inc. , Case No. 10-13779 (ALG)

Dear Sir/Madam:

I have enclosed an original plus two copies of the Proof of Claim of IA Duluth Venture, LLC. Please file the enclosed original Proof of Claim in the above referenced case, and return the extra time-stamped copies of the Proof of Claim to my attention in the self-addressed stamped envelope enclosed herewith. Should you have any questions regarding the foregoing, please do not hesitate to contact me. Thank you for your attention to this matter.

Very truly yours,



Christina M. Thompson

CMT:ejbz
Enclosures

#918495